U.S. DEPARTMENT OF COMMERCE AND

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DEPARTMENT OF COMMERCE AND USTR ANNOUNCE PRODUCTS TO BE EXCLUDED FROM STEEL SAFEGUARD REMEDY AND THE AUTOMATIC ADJUSTMENT OF THE REMEDY

Today the Department of Commerce (DOC) and the Office of the United States Trade Representative (USTR) announced the release of a set of products to be excluded from the steel safeguard remedy.

In accordance with World Trade Organization rules designed to allow a domestic industry to adjust to import competition, the President announced temporary steel safeguard measures on March 5, 2002. The President also directed the Office of the United States Trade Representative to publish in the <u>Federal Register</u> in March of each year that the remedy is in effect any particular products that should be excluded from the safeguard remedy.

Today, 295 products were excluded because it was determined that they are not currently available in sufficient quantities from U.S. producers and that excluding these products would not undermine the effectiveness of the safeguard on steel products. The decision to exclude these products was based upon a full consideration of information submitted by U.S. steel consumers, U.S. steel producers and foreign steel producers. A total of 208 of those requests did not receive any objections from the domestic steel industry and many of the exclusions granted were for small-volume niche products. This announcement furthers the Administration's objective of providing relief only where needed in the steel industry and to avoid burdening U.S. steel consumers. A list and a short description of the excluded products may be found on USTR's website: www.ustr.gov.

Today's announcement concludes the review of all pending exclusion requests. There will be another opportunity later this year for parties to submit exclusion requests for consideration by March 2004. This process will be initiated in November 2003.

The Department of Commerce and the Office of the United States Trade Representative also announced today the automatic adjustment of the steel safeguard remedy. In accordance with U.S statutory and World Trade Organization requirements, the steel safeguard remedy was automatically adjusted on March 20, 2003 to the levels proscribed in the President's March 5, 2002 proclamation. This adjustment resulted in a decrease in the tariff levels and an increase in the tariff-rate quotas initially established in the steel safeguard remedy. The remedy will likewise be adjusted again in March 2004.

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